

TOWNSHIP OF GREENDALE
Midland County, Michigan

FINANCIAL REPORT WITH
SUPPLEMENTARY INFORMATION

Year Ended March 31, 2007

AUDITING PROCEDURES REPORT

Issue under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Greendale	County Midland
Audit Date March 31, 2007	Opinion Date June 4, 2007	Date Accountant Report Submitted to State: June 11, 2007	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|--|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during they year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Campbell, Kusterer & Co., P.C.			
Street Address 512 N. Lincoln, Suite 100, P.O. Box 686		City Bay City	State MI
Accountant Signature <i>Campbell, Kusterer & Co., P.C.</i>		Zip 48707	

TOWNSHIP OF GREENDALE
Midland County, Michigan

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	2-3
Basic Financial Statements:	
Government-wide Financial Statements:	
Government-wide Statement of Net Assets	4
Government-wide Statement of Activities	5
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	6
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Notes to Financial Statements	10-14
Required Supplemental Information:	
Budgetary Comparison Schedule – General Fund	15
Budgetary Comparison Schedule – Solid Waste Fund	16
Other supporting information:	
General Fund Expenditures by Detailed Account	17-18
Current Tax Collection Fund – Statement of Changes in Assets and Liabilities	19

CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

June 4, 2007

To the Township Board
Township of Greendale
Midland County, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of Township of Greendale, Midland County, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Township of Greendale's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Township of Greendale, Midland County, Michigan as of March 31, 2007, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Township's basic financial statements. The other supporting information described in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants

TOWNSHIP OF GREENDALE
Midland County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2007

The Management's Discussion and Analysis report of the Township of Greendale covers the Township's financial performance during the year ended March 31, 2007.

FINANCIAL HIGHLIGHTS

Our financial status remained stable over the last year. Overall total capital assets remained approximately the same.

Overall revenues were \$371,971.14 from governmental activities with a \$11,796.87 increase in net assets.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts, management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township and the notes to the financial statements.

The first two statements are entity-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

ENTITY-WIDE FINANCIAL STATEMENTS

The entity-wide statements report information about the Township as a whole using accounting methods used by private companies. The statement of net assets includes all of the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity-wide statements report net assets and how they have changed. Net assets are the difference between the entity's assets and liabilities and this is one method to measure the entity's financial health or position.

Over time increases/decreases in the entity's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the entity you may also have to consider additional factors such as tax base changes, facility conditions and personnel changes.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township Board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

TOWNSHIP OF GREENDALE
Midland County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2007

FUND FINANCIAL STATEMENTS (cont.)

The Township has the following types of funds:

Governmental funds: All of the Township's activities are included in the governmental category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's entity-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them. The Township's governmental activities include the General Fund and the Solid Waste Fund.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

The Township's cash position remains stable.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

The Township's General Fund pays for most of the Township's governmental services with total expenditures of \$291,392.06.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Township's governmental activities invested \$2,050.00 in capital assets.

The Township's governmental activities paid \$0 of principal on long-term debt.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

The future of state revenue sharing is very clouded and it represents a significant portion of our income.

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and customers with a general overview of the Townships finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report please contact the Township at 480 S. Magruder Road, Shepherd, Michigan 48883.

TOWNSHIP OF GREENDALE
Midland County, Michigan

GOVERNMENT-WIDE STATEMENT OF NET ASSETS
March 31, 2007

	<u>Governmental Activities</u>
ASSETS:	
CURRENT ASSETS:	
Cash in bank	311 850 55
Taxes receivable	<u>25 198 00</u>
Total Current Assets	<u>337 048 55</u>
NON-CURRENT ASSETS:	
Capital Assets	65 973 83
Less: Accumulated Depreciation	<u>(39 545 34)</u>
Total Non-current Assets	<u>26 428 49</u>
TOTAL ASSETS	<u>363 477 04</u>
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
CURRENT LIABILITIES:	
Accounts payable	<u>15 772 63</u>
Total Current Liabilities	<u>15 772 63</u>
NON-CURRENT LIABILITIES	<u>-</u>
Total Non-current Liabilities	<u>-</u>
Total Liabilities	<u>15 772 63</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	26 428 29
Unrestricted	<u>321 275 92</u>
Total Net Assets	<u>347 704 41</u>
TOTAL LIABILITIES AND NET ASSETS	<u>363 477 04</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF GREENDALE
Midland County, Michigan

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year ended March 31, 2007

		Program Revenue		Governmental Activities
	Expenses	Charges for Services	Operating Grants - Contributions	Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS				
Governmental Activities:				
Legislative	5 641 64	-	-	(5 641 64)
General government	91 080 97	11 112 50	-	(79 968 47)
Public safety	142 591 87	25 560 31	70 901 00	(46 130 56)
Public works	115 411 79	87 116 00	-	(28 295 79)
Culture and recreation	5 448 00	-	-	(5 448 00)
Total Governmental Activities	360 174 27	123 788 81	70 901 00	(165 484 46)
General Revenues:				
Property taxes				39 044 92
Other taxes				2 976 46
State revenue sharing				125 172 52
Interest				8 831 91
Miscellaneous				1 255 52
Total General Revenues				177 281 33
Change in net assets				11 796 87
Net assets, beginning of year				335 907 54
Net Assets, End of Year				347 704 41

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF GREENDALE
Midland County, Michigan

BALANCE SHEET – GOVERNMENTAL FUNDS

March 31, 2007

	<u>General</u>	<u>Solid Waste</u>	<u>Total</u>
<u>Assets</u>			
Cash in bank	230 408 56	81 217 68	311 626 24
Taxes receivable	6 684 43	18 513 57	25 198 00
Due from other funds	<u>224 31</u>	<u>-</u>	<u>224 31</u>
Total Assets	<u>237 317 30</u>	<u>99 731 25</u>	<u>337 048 55</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts payable	<u>8 072 68</u>	<u>7 699 95</u>	<u>15 772 63</u>
Total liabilities	<u>8 072 68</u>	<u>7 699 95</u>	<u>15 772 63</u>
Fund equity:			
Fund balances:			
Unreserved:			
Undesignated	<u>229 244 62</u>	<u>92 031 30</u>	<u>321 275 92</u>
Total fund equity	<u>229 244 62</u>	<u>92 031 30</u>	<u>321 275 92</u>
Total Liabilities and Fund Equity	<u>237 317 30</u>	<u>99 731 25</u>	<u>337 048 55</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF GREENDALE
Midland County, Michigan

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
March 31, 2007

TOTAL FUND BALANCES – GOVERNMENTAL FUNDS	321 275 92
Amounts reported for governmental activities in the statement of net assets are different because –	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet:	
Capital assets at cost	65 973 83
Accumulated depreciation	<u>(39 545 34)</u>
TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	<u>347 704 41</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF GREENDALE
Midland County, Michigan

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
Year ended March 31, 2007

	<u>General</u>	<u>Solid Waste</u>	<u>Total</u>
Revenues:			
Property taxes	39 044 92	-	39 044 92
Other taxes	2 976 46	-	2 976 46
Licenses and permits	11 842 85	-	11 842 85
State revenue sharing	125 172 52	-	125 172 52
State grants	70 901 00	-	70 901 00
Charges for services – PTAF	3 077 50	-	3 077 50
Charges for services – other	21 752 46	-	21 752 46
Interest	8 667 86	164 05	8 831 91
Special assessments	-	87 116 00	87 116 00
Miscellaneous	1 255 52	-	1 255 52
Total revenues	<u>284 691 09</u>	<u>87 280 05</u>	<u>371 971 14</u>
Expenditures:			
Legislative:			
Township Board	5 641 64	-	5 641 64
General government:			
Supervisor	21 689 83	-	21 689 83
Elections	2 474 72	-	2 474 72
Clerk	8 780 12	-	8 780 12
Board of Review	2 247 68	-	2 247 68
Treasurer	12 855 16	-	12 247 68
Building and grounds	5 436 15	-	5 436 15
Cemetery	9 853 87	-	9 853 87
Unallocated	26 448 01	-	26 448 01
Public safety:			
Fire protection	56 762 68	-	56 762 68
Juvenile justice	70 901 00	-	70 901 00
Planning and zoning	4 829 59	-	4 829 59
Inspection	10 098 60	-	10 098 60
Public works:			
Highways and streets	44 737 40	-	44 737 40
Street lighting	1 137 61	-	1 137 61
Sanitation	-	69 536 78	69 536 78
Culture and recreation:			
Library	5 448 00	-	5 448 00
Capital outlay	2 050 00	-	2 050 00
Total expenditures	<u>291 392 06</u>	<u>69 536 78</u>	<u>360 928 84</u>
Excess (deficiency) of revenues over expenditures	(6 700 97)	17 743 27	11 042 30
Fund balances, April 1	<u>235 945 59</u>	<u>74 288 03</u>	<u>310 233 62</u>
Fund Balances, March 31	<u>229 244 62</u>	<u>92 031 30</u>	<u>321 275 92</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF GREENDALE
Midland County, Michigan

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended March 31, 2007

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS 11 042 30

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures; in the Statement of Activities,
these costs are allocated over their estimated useful lives as depreciation

Depreciation Expense	(1 295 43)
Capital Outlay	<u>2 050 00</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>11 796 87</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF GREENDALE
Midland County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2007

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Township of Greendale, Midland County, Michigan, conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

The financial statements of the Township contain all the Township funds that are controlled by or dependent on the Township's executive or legislative branches.

The reporting entity is the Township of Greendale. The Township is governed by an elected Township Board. As required by generally accepted accounting principles, these financial statements present the Township as the primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements, (the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Township's government-wide activities are considered governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments and other items not properly included among program revenues are reported as general revenue.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

TOWNSHIP OF GREENDALE
Midland County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2007

Note 1 – Summary of Significant Accounting Policies (continued)

Governmental Funds

General Fund

This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

Special Revenue Fund

This fund is used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action.

Fiduciary Fund

The Current Tax Collection Fund is used to account for assets held as an agent for others.

Assets, Liabilities and Net Assets or Equity

Bank deposits and investments – Cash and cash equivalent investments include cash on hand, demand deposits, certificates of deposit and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Property Taxes

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. The 2006 tax roll millage rate was 1.1653 mills, and the taxable value was \$32,927,855.00.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

TOWNSHIP OF GREENDALE
Midland County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2007

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are defined by the Township as assets with an initial cost of more than \$1,000.00 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings, additions and improvements	50-100 years
Equipment	5-10 years

Compensated Absences (Vacation and Sick Leave)

Employees are not allowed to accumulate vacation and sick pay.

Post-employment Benefits

The Township provides no post-employment benefits to past employees.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2 – Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.

TOWNSHIP OF GREENDALE
Midland County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2007

Note 2 – Budgets and Budgetary Accounting (continued)

8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

Note 3 – Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated three banks for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the cash deposits are as follows:

	<u>Carrying Amounts</u>
Total Deposits	<u>311,850.55</u>

Amounts in the bank balances are without considering deposits in transit or uncleared checks.

	<u>Bank Balances</u>
Insured (FDIC)	227,983.76
Uninsured and Uncollateralized	<u>83,868.60</u>
Total Deposits	<u>311,852.36</u>

The Township of Greendale did not have any investments as of March 31, 2007.

TOWNSHIP OF GREENDALE
Midland County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2007

Note 4 – Capital Assets

Capital asset activity of the Township's Governmental activities for the current year was as follows:

	Balance 4/1/06	Additions	Deletions	Balance 3/31/07
<u>Governmental Activities:</u>				
Land	19 727 00	-	-	19 727 00
Buildings	39 481 96	-	-	39 481 96
Equipment	4 714 87	2 050 00	-	6 764 87
Total	63 923 83	2 050 00	-	65 973 83
Accumulated Depreciation	(38 249 91)	(1 295 43)	-	(39 545 34)
Net Capital Assets	25 673 92	754 57	-	26 428 49

Note 5 – Pension Plan

The Township has a defined contribution pension plan covering all full-time employees. The Township contributes an amount of each employee's annual salary to the plan. The net pension expense for the fiscal year ended March 31, 2007, was \$5,803.80.

Note 6 – Deferred Compensation Plan

The Township does not have a deferred compensation plan.

Note 7 – Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for property loss, torts and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 8 – Building Permits

As of March 31, 2007, the Township had building permit revenues of \$8,042.00 and building permit expenses of \$10,098.60.

Note 9 – Interfund Receivables and Payables

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	224 31	Current Tax Collection	224 31

TOWNSHIP OF GREENDALE
Midland County, Michigan

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year ended March 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:				
Property taxes	40 797 67	40 825 36	39 044 92	(1 780 44)
Other taxes	2 976 46	2 976 46	2 976 46	-
Licenses and permits	10 000 00	10 000 00	11 842 85	1 842 85
State revenue sharing	123 000 00	123 000 00	125 172 52	2 172 52
State grants	80 000 00	75 000 00	70 901 00	(4 099 00)
Charges for services – PTAF	-	-	3 077 50	3 077 50
Charges for services – other	9 970 00	24 970 00	21 752 46	(3 217 54)
Interest	3 000 00	4 000 00	8 667 86	4 667 86
Miscellaneous	6 220 00	6 220 00	1 255 52	(4 964 48)
Total revenues	<u>275 964 13</u>	<u>286 991 82</u>	<u>284 691 09</u>	<u>(2 300 73)</u>
Expenditures:				
Legislative:				
Township Board	7 000 00	7 000 00	5 641 64	(1 358 36)
General government:				
Supervisor	26 268 00	25 368 00	21 689 83	(3 678 17)
Elections	1 660 00	2 535 00	2 474 72	(60 28)
Clerk	9 820 00	9 800 00	8 780 12	(1 019 88)
Board of Review	1 820 00	2 400 00	2 247 68	(152 32)
Treasurer	12 700 00	13 200 00	12 855 16	(344 84)
Building and grounds	4 604 00	6 604 00	5 436 15	(1 167 85)
Cemetery	10 728 00	10 928 00	9 853 87	(1 074 13)
Unallocated	38 481 00	27 881 00	26 448 01	(1 432 99)
Public safety:				
Fire protection	64 920 00	64 920 00	56 762 68	(8 157 32)
Juvenile justice	80 000 00	75 000 00	70 901 00	(4 099 00)
Planning and zoning	4 840 00	5 800 00	4 829 59	(970 41)
Inspection	10 114 40	10 314 40	10 098 60	(215 80)
Public works:				
Highways and streets	40 000 00	44 737 40	44 737 40	-
Street lighting	1 080 00	1 180 00	1 137 61	(42 39)
Drains	6 367 62	6 367 62	-	(6 367 62)
Culture and recreation:				
Library	5 448 00	5 448 00	5 448 00	-
Capital outlay	<u>7 000 00</u>	<u>4 205 00</u>	<u>2 050 00</u>	<u>(2 155 00)</u>
Total expenditures	<u>332 851 02</u>	<u>323 688 42</u>	<u>291 392 06</u>	<u>(32 296 36)</u>
Excess (deficiency) of revenues over expenditures	(56 886 89)	(36 696 60)	(6 700 97)	29 995 63
Fund balance, April 1	<u>56 886 89</u>	<u>36 696 60</u>	<u>235 945 59</u>	<u>199 248 99</u>
Fund Balance, March 31	<u>-</u>	<u>-</u>	<u>229 244 62</u>	<u>229 244 62</u>

TOWNSHIP OF GREENDALE
Midland County, Michigan

BUDGETARY COMPARISON SCHEDULE –SOLID WASTE FUND
Year ended March 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:				
Interest	100 00	150 00	164 05	14 05
Special assessments	<u>102 381 27</u>	<u>102 381 27</u>	<u>87 116 00</u>	<u>(15 265 27)</u>
Total revenues	<u>102 481 27</u>	<u>102 531 27</u>	<u>87 280 05</u>	<u>(15 251 22)</u>
Expenditures:				
Public works:				
Sanitation	<u>70 650 00</u>	<u>77 650 00</u>	<u>69 536 78</u>	<u>(8 113 22)</u>
Total expenditures	<u>70 650 00</u>	<u>77 650 00</u>	<u>69 536 78</u>	<u>(8 113 22)</u>
Excess (deficiency) of revenues over expenditures	31 831 27	24 881 27	17 743 27	(7 138 00)
Fund balance, April 1	<u>-</u>	<u>-</u>	<u>74 288 03</u>	<u>74 288 03</u>
Fund Balance, March 31	<u><u>31 831 27</u></u>	<u><u>24 881 27</u></u>	<u><u>92 031 30</u></u>	<u><u>67 150 03</u></u>

TOWNSHIP OF GREENDALE
Midland County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year ended March 31, 2007

Township Board:	
Wages	4 080 00
Mileage and expenses	1 561 64
	<hr/>
	5 641 64
Supervisor:	
Salary and wages	17 700 00
Deputy	500 00
Supplies	3 189 83
Mileage and expense	300 00
	<hr/>
	21 689 83
Elections:	
Wages	1 432 00
Miscellaneous	1 042 72
	<hr/>
	2 474 72
Clerk:	
Salary and wages	7 160 00
Deputy	500 00
Supplies	431 81
Mileage and expenses	688 31
	<hr/>
	8 780 12
Board of Review:	
Wages	1 890 00
Miscellaneous	357 68
	<hr/>
	2 247 68
Treasurer:	
Salary and wages	7 160 00
Deputy	500 00
Supplies	3 324 62
Mileage and expenses	1 870 54
	<hr/>
	12 855 16
Building and grounds:	
Wages	910 00
Supplies	2 276 34
Utilities	529 81
Maintenance	1 720 00
	<hr/>
	5 436 15
Cemetery:	
Wages	7 785 00
Supplies	335 63
Utilities	101 04
Repairs and maintenance	1 425 00
Mileage and expenses	207 20
	<hr/>
	9 853 87

TOWNSHIP OF GREENDALE
Midland County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year ended March 31, 2007

Unallocated:	
Payroll taxes	1 061 84
Legal	8 066 15
Audit	2 000 00
Dues	950 71
Insurance	6 375 00
Pension	4 962 11
Miscellaneous	532 20
West Midland Family Center	2 500 00
	<u>26 448 01</u>
 Fire protection	 <u>56 762 68</u>
 Juvenile justice:	
Contracted services	<u>70 901 00</u>
 Planning and zoning:	
Wages	4 485 00
Supplies	87 21
Miscellaneous	257 38
	<u>4 829 59</u>
 Inspection:	
Wages	7 180 00
Payroll taxes	103 82
Pension	841 69
Supplies	628 22
Miscellaneous	1 344 87
	<u>10 098 60</u>
 Highways and streets	 <u>44 737 40</u>
 Street lighting	 <u>1 137 61</u>
 Library	 <u>5 448 00</u>
 Capital outlay	 <u>2 050 00</u>
 Total Expenditures	 <u>291 392 06</u>

TOWNSHIP OF GREENDALE
Midland County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended March 31, 2007

	Balance 4/1/06	Additions	Deductions	Balance 3/31/07
<u>Assets</u>				
Cash in Bank	114 01	955 456 87	955 346 57	224 31
<u>Liabilities</u>				
Due to other funds	114 01	104 191 67	104 081 37	224 31
Due to others	-	851 265 20	851 265 20	-
Total Liabilities	114 01	955 456 87	955 346 57	224 31

CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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AUDIT COMMUNICATION AND REPORT OF COMMENTS AND RECOMMENDATIONS

June 4, 2007

To the Township Board
Township of Greendale
Midland County, Michigan

We have audited the financial statements of the Township of Greendale for the year ended March 31, 2007. As required by auditing standards generally accepted in the United States, the independent auditor is required to make several communications to the governing body having oversight responsibility for the audit. The purpose of this communication is to provide you with additional information regarding the scope and results of our audit that may assist you with your oversight responsibilities of the financial reporting process for which management is responsible.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES

We conducted our audit of the financial statements of the Township of Greendale in accordance with auditing standards generally accepted in the United States. The following paragraph explains our responsibilities under those standards.

Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising an internal control structure that will, among other things, help assure the proper recording of transactions. The transactions that should be reflected in the accounts and in the financial statements are matters within the direct knowledge and control of management. Our knowledge of such transactions is limited to that acquired through our audit. Accordingly, the fairness of representations made through the financial statements is an implicit and integral part of management's accounts and records. However, our responsibility for the financial statements is confined to the expression of an opinion on them. The financial statements remain the responsibility of management.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than those items of lesser importance or those in which the possibility of material error is remote.

For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

An independent auditor's objective in an audit is to obtain sufficient competent evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor's work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or fraud. The existence of that risk is implicit in the phrase in the audit report, "in our opinion."

To the Township Board
Township of Greendale
Midland County, Michigan

In the audit process, we gain an understanding of the internal control structure of an entity for the purpose of assisting in determining the nature, timing, and extent of audit testing. Our understanding is obtained by inquiry of management, testing transactions, and observation and review of documents and records. The amount of work done is not sufficient to provide a basis for an opinion on the adequacy of the internal control structure.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described in Note 1 to the financial statements.

OTHER COMMUNICATIONS

Auditing standards call for us to inform you of other significant issues such as, but not limited to, 1) Accounting estimates that are particularly sensitive because of their significance to the financial statements or because of the possibility that future events affecting them may differ markedly from management's current judgments; 2) Significant audit adjustments that may not have been detected except through the auditing procedures we performed; 3) Disagreements with management regarding the scope of the audit or application of accounting principles; 4) Consultation with other accountants; 5) Major issues discussed with management prior to retention; and 6) Difficulties encountered in performing the audit.

We have no significant issues, regarding these matters, to report to you at this time. Audit adjustments were minimal, and are available to review.

COMMENTS AND RECOMMENDATION REGARDING INTERNAL CONTROLS/ COMPLIANCE/ EFFICIENCY

Our procedures disclosed the following conditions that we would like to bring to your attention:

SEGREGATION OF DUTIES

A separation of duties between persons who authorize transactions and persons who have control over the related assets does not always exist.

The least desirable accounting system is one in which an employee is responsible for executing the transaction and then recording the transaction from its origin to its ultimate posting in the General Ledger. This increases the likelihood that intentional or unintentional errors will go undetected. In most cases, adequate segregation of duties substantially increases control over errors without duplication of effort.

We understand that due to the size of needed staff, a proper segregation of duties may be impractical and the "cost to benefit" relationship may not justify the addition of accounting staff to accomplish the desired segregation.

These conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the Township's financial statements and this communication of these matters does not affect our report on the Township's financial statements, dated March 31, 2007.

SUMMARY

We welcome any questions you may have regarding the foregoing comments and we would be happy to discuss any of these or other questions that you might have at your convenience.

Sincerely,



CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants